

Reflections from Teneo's Chairman & CEO



Declan Kelly, CHAIRMAN & CEO, TENEO

Reflections from Teneo's Chairman & CEO, on 2020 and thoughts on what lies ahead in 2021.

For many, 2020 was the year the world turned upside down. It is what Teneo Senior Advisor, Lord Hague of Richmond, in his book article refers to as “the most universal event in human history.”

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We didn’t see it coming, not really. A pandemic was nowhere on the list of likely global risks that CEOs worried about. This despite any number of warnings from the experts over the years and the real-world experience of Ebola, SARS, and MERS. (I tip my hat to our Senior Advisor, Jerome Hauer, Ph.D., who not only authored an article for this year’s book,

but also warned of such a threat in an article he wrote for our 2018 Vision Book). For sure, we learned that we can drastically underestimate risks we are not familiar with, through a combination of cognitive biases – recency, selective attention, well-travelled road, and status quo bias likely all in there.

I don’t think there’s ever been anything like this in terms of the scale, the breadth, the depth, and the far-reaching potential consequences – and the speed at which it all happened.

It was incredible to see massive international companies pivot on a dime to maintain their operational capacity, whether redrawing supply chains overnight, creating virtual trading floors so that markets were not interrupted, or switching business models and products that had only been available physically into online channels and direct-to-consumer.

As well as crisis management, every CEO we work with is now taking a longer view. There's a lot of talk about the "New Normal," but we don't think that's the right way to describe it. Some things will go back to how they were, some things will evolve predictably, but the pandemic itself is a discontinuity. It's a reboot moment. And many things will not look like anything like they did before. We at Teneo see this not as the "New Normal," but as the "New Different."

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It's not just the pandemic. Even if we had a vaccine available for 7.5 billion people tomorrow, the world - and business - is in flux. Three irreversible shifts are at play. COVID clearly is one. Climate is another, and connectivity is the third, across areas such as the "Internet of Things" (IoT), social media and mobile devices. Together, these are going to completely change how people live, how businesses operate, and how society runs.

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COVID-19



Climate



Connectivity

It is more difficult than ever this year to predict where the world is going. We don't know "the consequences of the consequences" as my mentor, the great Don Keough, used to say. It is far too early to know exactly what changes the pandemic will ultimately bring. But change things it will, and we have to make a call on the possibilities so that we can prepare. We already know the nature of work will change fundamentally, but we don't know exactly what that means. We know there has been a tectonic shift for politics, but the direction is not certain. We know many industries which have had the same business model for decades must now completely reinvent themselves or die (you can read about several of them in this book), but we don't yet know what that looks like.

The New Different means change for the C-suite. We see a shift in leadership, which now places a higher premium on agility, empathy, and purposeful leadership. These qualities mattered before; now they're essential.

The first shift I see derives from the uncertainty and is around agility and the determination and willingness to change one's own business. Reinvention has always distinguished great leaders, but it's a must-have now. If you're not willing to change quickly, take risks and not look for every last detail before you make the call, then you're going to suffer, and you're probably going to be overtaken by your competition. With the pace of restructuring we are about to see, it's a must.

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The second difference is empathy. It is a key CEO attribute today, and if you don't have it and don't show it, you're going to struggle to survive if you're in the C-suite. It's not about having all the answers. It's about hearing your employees and listening to the people affected most directly. Third is the ability to communicate in a clear, calm, and concise way; it sounds like a simple thing, but I don't think it is. People are feeling isolated, lonely, and unsure. They crave stability; that's the human condition. Leaders need to say what's going on and show there's a plan. They have to be open, authentic and talk honestly about what matters.

And then the last thing is maybe the most obvious one, which is leading by example – set the standard in your industry, in the business world, and be vocal about the actions being taken. When the pandemic hit, we saw some great CEOs make it very clear that their people came first, before profits.

The New Different then, is that what's in scope for CEOs has changed almost overnight. In 2020, we saw the end of fifty years of shareholder capitalism as the dominant narrative. It's absolutely clear now that unless you can connect your purpose and values to all your stakeholders and the wider world, you are going to get left behind. CEOs will need to stand up and be counted.

It's easy to be pessimistic about our future after Covid. Easy to point to the complete failure of multilateral institutions to react to the challenge. To the weaknesses in our national responses. To the global recession we are entering. To the pandemic poverty that is hitting hard around the world.

Instead, I am optimistic. In crisis, as well as tragedy, we have also observed the best of humanity. The first responders who walk into danger for us. Family, friends, and communities helping each other. The new dialog about race, diversity, and inequality.

And more than dialog, action. Teneo is honored to be a founding partner (along with Gabrielle Sulzberger, the Ford Foundation and the Executive Leadership Council) of the Board Diversity Action Alliance (BDAA) led by Teneo Senior Advisor, and Former Chairman & CEO of Xerox, Ursula Burns, whose wisdom on boardroom diversity you can read in this year's book. I want to acknowledge and thank all of our clients and friends, who have supported the BDAA, as well as many of our other initiatives over the years, including the recent Global Citizen-hosted *One World: Together at Home* concert, which raised over \$120 million for the WHO's COVID-19 Solidarity Response Fund.

Recognizing the challenges is the first step in overcoming them. Thank you to all the individuals and organizations stepping up. And thank you to all the CEOs and other courageous leaders we work with every day.

Thank you as always to our great editor Jim Hoge for his excellent work producing this book for the 8th straight year. This is our first

year transitioning to a digital only version. A sign of the times. Thank you to the Teneo experts from around the world for sharing their insights. Also, thanks to Ali Penaro, Solomon Chaison, Jeff Sindone, Eric Teng, Jennifer Quinn, Devin Mullin, Alex Lager, Alex Brennan, and many others for all their support to make this happen.

Be well.

A handwritten signature in black ink that reads "Declan Kelly". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Declan Kelly

Chairman & CEO, Teneo